

“(ii) has been found to have strong evidence that such model will significantly improve the performance of participating children.

“(3) SPECIAL RULE.—A school that receives funds to develop a comprehensive school reform program shall not be limited to using nationally available approaches, but may develop its own comprehensive school reform program for schoolwide change that complies with paragraph (2).

“(e) EVALUATION AND REPORT.—

“(1) IN GENERAL.—The Secretary shall develop a plan for a national evaluation of the programs developed pursuant to this section.

“(2) EVALUATION.—This national evaluation shall evaluate the implementation and results achieved by schools after 3 years of implementing comprehensive school reforms, and assess the effectiveness of comprehensive school reforms in schools with diverse characteristics.

“(3) REPORTS.—Prior to the completion of a national evaluation, the Secretary shall submit an interim report outlining first year implementation activities to the Committees on Education and the Workforce and Appropriations of the House of Representatives and the Committees on Health, Education, Labor, and Pensions and Appropriations of the Senate.

“(f) QUALITY INITIATIVES.—The Secretary, through grants or contracts, shall provide funds for the following activities:

“(1) TECHNICAL ASSISTANCE.—A joint public and private partnership that receives matching funds from private organizations, in order to assist States, local educational agencies, and schools in making informed decisions when approving or selecting providers of comprehensive school reform, consistent with the requirements described in subsection (d)(3).

“(2) OTHER ACTIVITIES.—Other activities that—

“(A) encourage the development of comprehensive reform models;

“(B) build the capacity of comprehensive school reform providers to increase the number of schools the providers can serve; and

“(C) ensure that schools served receive high quality services that meet the needs of their teachers and students.”.

## **PART G—RURAL EDUCATION FLEXIBILITY AND ASSISTANCE**

### **SEC. 171. RURAL EDUCATION.**

Title I is amended by adding at the end the following new part:

#### **“PART G—RURAL EDUCATION FLEXIBILITY AND ASSISTANCE**

##### **“SEC. 1701. SHORT TITLE.**

“This part may be cited as the ‘Rural Education Initiative Act’.

##### **“SEC. 1702. FINDINGS.**

“Congress finds the following:

“(1) While there are rural education initiatives identified at the State and local level, no Federal education policy focuses on the specific and unique needs of rural school districts and schools.

“(2) Small school districts often cannot use Federal grant funds distributed by formula because the formula allocation does not provide enough revenue to carry out the program the grant is intended to fund.

“(3) Rural schools often cannot compete for Federal funding distributed by competitive grants because the schools lack the personnel needed to prepare grant applications and the resources to hire specialists in the writing of Federal grant proposals.

“(4) A critical problem for rural school districts involves the hiring and retention of qualified administrators and certified teachers (especially in reading, science, and mathematics). As a result, teachers in rural schools are almost twice as likely to provide instruction in three or more subject areas than teachers in urban schools. Rural schools also face other tough challenges, such as shrinking local tax bases,

high transportation costs, aging buildings, limited course offerings, and limited resources.

#### **“Subpart 1—Rural Education Flexibility**

##### **“SEC. 1711. FORMULA GRANT PROGRAM AUTHORIZED.**

“(a) ALTERNATIVE USES.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, an eligible local educational agency may use the applicable funding, that the agency is eligible to receive from the State educational agency for a fiscal year, to carry out local activities authorized in part A of title I, part A of title II, part A of title III, part A of title IV, or part A or B of title V.

“(2) NOTIFICATION.—An eligible local educational agency shall notify the State educational agency of the local educational agency’s intention to use the applicable funding in accordance with paragraph (1) not later than a date that is established by the State educational agency for the notification.

“(b) ELIGIBILITY.—

“(1) IN GENERAL.—A local educational agency shall be eligible to use the applicable funding in accordance with subsection (a) if—

“(A)(i) the total number of students in average daily attendance at all of the schools served by the local educational agency is less than 600; and

“(ii) all of the schools served by the local educational agency are designated with a school locale code of 7 or 8 as determined by the Secretary of Education; or

“(B) the agency meets the criteria established in subparagraph (A)(i) and the Secretary, in accordance with paragraph (2), grants the local educational agency’s request to waive the criteria described in subparagraph (A)(ii).

“(2) CERTIFICATION.—The Secretary shall determine whether or not to waive the criteria described in paragraph (1)(A)(ii) based on a demonstration by a local educational agency and concurrence by the State educational agency that the local educational agency is located in an area defined as rural by a governmental agency of the State.

“(c) APPLICABLE FUNDING.—In this section, the term ‘applicable funding’ means funds provided under part A of title II, section 3106, part A of title IV, part A of title V, and section 5212(2)(A).

“(d) DISBURSEMENT.—Each State educational agency that receives applicable funding for a fiscal year shall disburse the applicable funding to local educational agencies for alternative uses under this section for the fiscal year at the same time that the State educational agency disburses the applicable funding to local educational agencies that do not intend to use the applicable funding for such alternative uses for the fiscal year.

“(e) SUPPLEMENT NOT SUPPLANT.—Funds used under this section shall be used to supplement and not supplant any other Federal, State, or local education funds that would otherwise be available for the purpose of this subpart.

“(f) APPLICABLE RULE.—Except as otherwise provided in this subpart, funds transferred under this subpart are subject to each of the rules and requirements applicable to the funds allocated by the Secretary under the provision to which the transferred funds are transferred.

##### **“SEC. 1712. PROGRAM AUTHORIZED.**

“(a) IN GENERAL.—The Secretary is authorized to award grants to eligible local educational agencies under section 1711(b) to enable the local educational agencies to support local or statewide education reform efforts intended to improve the academic achievement of elementary school and secondary school students and the quality of instruction provided for the students.

“(b) ALLOCATION.—

“(1) IN GENERAL.—Except as provided in paragraph (3), the Secretary shall award a grant to an eligible local educational agency under section 1711(b) for a fiscal year in an amount equal

to the initial amount determined under paragraph (2) for the fiscal year minus the total amount received under the provisions of law described under section 1711(c) for the preceding fiscal year.

“(2) DETERMINATION OF THE INITIAL AMOUNT.—The initial amount referred to in paragraph (1) is equal to \$100 multiplied by the total number of students, over 50 students, in average daily attendance in such eligible agency plus \$20,000, except that the initial amount may not exceed \$60,000.

“(3) RATABLY ADJUSTMENT.—

“(A) IN GENERAL.—If the amount made available for this subpart for any fiscal year is not sufficient to pay in full the amounts that local educational agencies are eligible to receive under paragraph (1) for such year, the Secretary shall ratably reduce such amounts for such year.

“(B) ADDITIONAL AMOUNTS.—If additional funds become available for making payments under paragraph (1) for such fiscal year, payments that were reduced under subparagraph (A) shall be increased on the same basis as such payments were reduced.

“(4) CENSUS DETERMINATION.—

“(A) IN GENERAL.—Each local educational agency desiring a grant under this section shall conduct a census not later than December 1 of each year to determine the number of kindergarten through grade 12 students in average daily attendance at the schools served by the local educational agency.

“(B) SUBMISSION.—Each local educational agency shall submit the number described in subparagraph (A) to the Secretary not later than March 1 of each year.

“(c) DISBURSAL.—The Secretary shall disburse the funds awarded to a local educational agency under this section for a fiscal year not later than July 1 of that year.

“(d) SPECIAL RULE.—A local educational agency that is eligible to receive a grant under this subpart for a fiscal year shall be ineligible to receive funds for such fiscal year under subpart 2.

“(e) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement and not supplant any other Federal, State, or local education funds.

##### **“SEC. 1713. ACCOUNTABILITY.**

“(a) ACADEMIC ACHIEVEMENT.—

“(1) IN GENERAL.—Each local educational agency that uses or receives funds under section 1711 or 1712 for a fiscal year shall administer an assessment consistent with section 1111.

“(2) SPECIAL RULE.—Each local educational agency that uses or receives funds under section 1711 or 1712 shall use the same assessment described in paragraph (1) for each year of participation in the program under such section.

“(b) STATE EDUCATIONAL AGENCY DETERMINATION REGARDING CONTINUING PARTICIPATION.—Each State educational agency that receives funding under the provisions of law described in section 1711(c) shall—

“(1) after the second year that a local educational agency participates in a program under section 1711 or 1712 and on the basis of the results of the assessments described in subsection (a), determine whether the schools served by the local educational agency participating in the program performed in accordance with section 1111; and

“(2) only permit those local educational agencies that so participated and make adequate yearly progress, as described in section 1111(b)(2), to continue to so participate.

#### **“Subpart 2—Rural Education Assistance**

##### **“SEC. 1721. PROGRAM AUTHORIZED.**

“(a) RESERVATIONS.—From amounts appropriated under section 1002(f) for this subpart for a fiscal year, the Secretary shall reserve 1/2 of 1 percent to make awards to elementary or secondary schools operated or supported by the Bureau of Indian Affairs to carry out the purpose of this subpart.